must be vigilant to avoid deterring lawful competition as we work to eliminate slamming.

The comment deadline for the further notice has passed and we received formal comments from over 50 parties and reply comments from 32 parties, amounting to in excess of 1200 pages of comments. Commission staff is currently poring over the comments and alternative proposals to determine what additional rules are necessary to further dissuade and penalize slamming practices.

We received comments from many sources, including consumers, state commissions, the National Association of Attorneys General, and local, long distance and wireless carriers.

Congress wisely provided the FCC with tools under the 1996 Telecom Act to combat this problem. I am also pleased that you are focusing attention on slamming by conducting this hearing.

Consumers still wishing to comment on this proceeding can reach us by the Internet at Slamming@Comments.FCC.Gov.

In conclusion, with tougher rules and vigilant enforcement, we will help restore the right of consumers to choose their local and long distance carriers -- and to have that choice honored in the marketplace.

Thank you.

REF CONTROL NO. 0897160100179041379

EXCEL TELECOMMUNICATIONS, INC.

P.O. BOX 650582 • DALLAS, TX 75265-0582
Customer Service 1-800-875-9235

LONG DISTANCE SERVICE REQUEST FORM (SRF)

[redacted]

☐ NEW CUSTOMER ☐ EXISTING CUSTOMER

Please print customer's information exactly as it appears on their phone bill.

[redacted]

COMPLETION INSTRUCTIONS

PLEASE FILL OUT BOXED AREA NEATLY MAKING SURE NOT TO WRITE OUTSIDE OF BOXES AS SHOWN

A	B	C	5	5	5	1	3	4	2

TO INSURE PROPER PROCESSING OF YOUR INFORMATION COMPLETE AS SHOWN IN BLACK OR BLUE INK AND PRINT IN CAPITAL LETTERS

[redacted]

- -

[redacted]

PLEASE INITIAL THIS BOX TO SELECT INTRALATA SERVICE I understand I will be presubscribed to Excel for any toll calls made within my Local Access Transport Area (IntraLATA calls), effective when my jurisdiction has approved intraLATA competition. I understand my local company can assess a service charge for each line changed.

[redacted]

01 **Excel's Dime Deal**℠ I understand I will be enrolled in the Dime Deal calling program designed especially for residential customers. All calls will be billed in full-minute increments and charged a flat-rate based upon originating and terminating call location. I understand I will be charged a $1.00 monthly service fee.

02 **ExcelPlus II**℠ I understand I will be enrolled in the ExcelPlus II calling program designed especially for residential customers who make the majority of their calls to other Excel residential and small business customers. I will automatically receive a 30% discount off Excel's standard rates on all domestic long distance calls to non-Excel customers. I will also receive a 50% discount on all calls to Excel residential and small business customers. I will be charged a $1.00 monthly service fee.

03 **PremierPlus II**℠ I understand I will be enrolled in the PremierPlus II calling plan designed especially for personal residential or small business customers with $75 or less of long distance usage per month. I will automatically receive a 30% discount off Excel's standard rates on all domestic long distance calls to non-Excel customers. I will also receive a 50% discount on all calls to Excel residential and small business customers. All calls will be discount-priced, flat-rate, calls billed in six-second increments and there is a nominal $3.00 monthly service fee.

04 **Excel's WorldRate One**℠ Excel's WorldRate One calling program is especially designed for international calling needs, I will automatically receive the WorldRate One flat-rate, per country international rates. There is no set-up charge. I pay a $3 monthly service fee.

05 **My 800**℠ There is no set-up charge. I pay only $3.50 a month plus long distance charges. This number will ring at and be billed to the Billing Telephone Number I have indicated.

06 **Calling Cards**
I request __________ calling cards (limit 2).

07 **Account Codes** (Available only with PremierPlus II)
Check number of digits desired: ☐ 2 ☐ 3 ☐ 4
$10.00 monthly fee.

[redacted]

This Letter of Agency shall be in effect upon its receipt and acceptance by Excel Telecommunications, Inc. at its Corporate Office in Dallas, Texas. I authorize you to inform my local telephone company that I have selected Excel Telecommunications, Inc. to be my primary long distance service for 1+ equal access dialing (including intraLATA if indicated above). I understand that I may designate only one long distance service. I understand my local telephone company can assess a service charge for each line changed. This Letter of Agency shall remain in effect until I revoke the same in writing. I certify that I am at least 18 years of age and that I have the proper authority to sign this Letter of Agency.

CUSTOMER SIGNATURE **DATE**

[redacted]

I hereby certify that my sponsor assisted me in obtaining this Fast Start customer and that the signature above is that of the Customer.

REPRESENTATIVE SIGNATURE **DATE**

EXCEL REPRESENTATIVE LAST NAME	FIRST NAME

TELEPHONE NUMBER

FORM # 1601 8/97

Excel Communications, Inc.
February 19, 1998

"CUSTOMER CHOICE" PRINCIPLES

Competition in all telecommunications markets will bring to customers the benefits of lower prices, greater choices and improved service. For these benefits of competition to be fully realized, however, it is imperative both that customer choice be maximized and that each customer's choice of carrier(s) be honored and faithfully implemented. Consistent with these goals, Excel offers the following principles:

I. CONSUMERS MUST BE ABLE TO CHOOSE LOCAL AND LONG DISTANCE SERVICE PROVIDERS WITHOUT FEAR OF "SLAMMING" OR 'CRAMMING"

- The unauthorized transfer of a customer's local or long distance service ("slamming") or the unauthorized addition of services by an incumbent carrier ("cramming") are unacceptable practices which Excel rejects and deplores. Indeed, as reputable and law-abiding competitive telecommunications carriers, we and our customers are severely harmed by such practices.

- We pledge a *zero tolerance* policy toward intentional slamming, whether it is attributable to their employees or agents or to the local exchange carriers that execute virtually all carrier changes. A *zero tolerance* policy means that we will fully investigate all allegations of slamming, will take all appropriate action to make consumers whole in the event of a 'slam,' will terminate any employee or agent who is found to have knowingly and willfully engaged in slamming, and will pursue all appropriate remedies when we find that the slamming of a consumer is attributable to the executing local exchange carrier.

- We acknowledge our responsibility to prevent slamming, and will undertake to fully educate our customers, our employees and our agents on the practice and the unacceptability of slamming.

- We acknowledge that even the most reputable telecommunications carriers sometimes *unintentionally* initiate an unauthorized transfer of a consumer through mistake or inadvertence, such as the misreading of a consumer's telephone number or a data entry error. We respectfully ask policymakers and the public to understand that the vast majority of such carrier changes are the result of the kind of inadvertent error that is inevitable and common to all businesses. *Nevertheless,* in recognition of our own responsibilities, we pledge to redouble our efforts to reduce even inadvertent "slamming" to an absolute minimum.

- We will adhere to <u>or exceed</u> all applicable federal and state laws and regulations designed to prevent slamming. *In particular:*

    - <u>All</u> telecommunications service providers that submit primary carrier (PC) changes should be required to demonstrate affirmative customer verification for the change, either through a document signed by the authorized subscriber, verification by an unaffiliated third party, or by appropriate electronic means. Any verification method must be designed to be clear and easily understandable to the customer in conformance with applicable law and regulation. We will not consider a "negative option" method to be a sufficient form of verification.

- Customers who are subjected to an unauthorized change should pay only the authorized carrier's rates, and will be entitled to full reimbursement of the difference between any payments made and the payments that would have been made had the unauthorized change not occurred. Such reimbursement will be in addition to any other payments or damages that may be awarded by a competent agency or court.

- We will not engage in deceptive, inappropriate or "high pressure" telemarketing or sales tactics.

II. AS COMPETITION FOR LOCAL AND LONG DISTANCE TELECOMMUNICATIONS SERVICES INCREASES, CUSTOMERS SHOULD RETAIN THE ABILITY TO EXPECT FAST AND RELIABLE CHANGES IN THEIR PREFERRED TELECOMMUNICATIONS SERVICE PROVIDER(S) WITHOUT DISRUPTION OF SERVICES THEY WISH TO RETAIN

- The rules and laws governing the carrier selection process must apply to all telecommunications service providers, including incumbent local exchange carriers (ILECs).

- Service providers serving the dual role of submitting and executing carrier must (1) obtain affirmative customer verification and (2) provide such verification materials to the FCC, a state and/or any requesting carrier that sets forth reasonable cause for suspecting an improperly authorized PC change.

- PC change information should be afforded customer proprietary network information (CPNI) protection, so that it is available only to carrier personnel tasked with executing PC change requests. In no case should an executing carrier's marketing and sales personnel have access to PC change information.

- Carriers should be liable for failures to properly process and execute PC change requests and they should be liable to the submitting carrier for revenues in the event of unreasonable delay between submission and execution of the PC change.

- The availability of a "PC Freeze" option (whereby a consumer may instruct his telecommunications service provider *not* to execute a change in one or more of his service provider(s) without his explicit authorization) can be a useful means for consumers to protect themselves from slamming and/or cramming. *However,* the PC Freeze option can easily be abused if it is solicited by an incumbent local exchange carrier (ILEC) which possesses the sole power to execute *and* block carrier changes *and* at the same time has an inherent conflict of interest as a competitor for the customer's local, intraLATA and/or interLATA service. Accordingly, as competition develops and expands in these markets, the following principles should be followed *and codified:*

- To the extent PC freezes are permitted, customers must be informed fully and neutrally in order that they may fully understand the result of the freeze and how to override it should they later wish to switch carriers.

- Access to information concerning whether a customer has selected a PC freeze must be made available to all carriers on nondiscriminatory terms and conditions.

- PC freezes should not be applied to a customer's interLATA, intraLATA and local service carrier selection without the customer's explicit permission as to each service. To this end, customers should have PC freeze options specific to each type of service to which they subscribe.

- ILECs should be prohibited from soliciting or enforcing PC freezes for local and intraLATA services until at least six months after those services become subject to competition in a particular market.

- Where a carrier offers PC freeze options to its own customers, it must offer the same PC-freeze options to customers pre-subscribed to other carriers.

III. CONSUMERS AND PROVIDERS ALIKE MUST BE ABLE TO RELY ON UNIFORM, CONSISTENT NATIONAL RULES

- Rules and requirements governing slamming, cramming, and PC freezes must be uniform and consistent on a national basis, lest both consumers and carriers suffer confusion, the prospect of inaccurate and conflicting advice, and most especially increased costs of service. Because long distance carriers, ILECs and CLECs typically operate on a national or multi-state basis, multiple and inconsistent specifications for documents, notices and procedures can only increase, perhaps substantially, the ultimate cost to consumers of telecommunications services-- a result wholly at odds with the overarching consumer welfare goal of such rules.

- We acknowledge the right of states to enforce strong pro-competitive, anti-slamming and anti-cramming measures with respect to intrastate services. Provisions in current federal regulation preserving this authority (e.g., 47 CFR 64.1160: "Nothing in this section shall preclude any State commission from enforcing these procedures with respect to intrastate services") should be preserved.

Slamming is a Problem

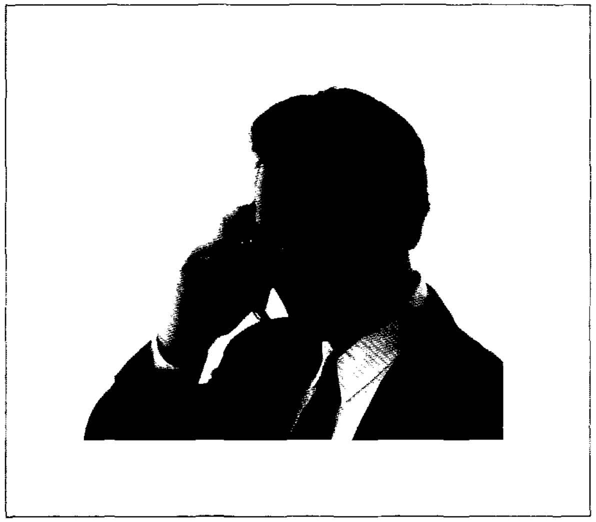
Imagine receiving your phone bill and noticing that the total bill is higher than you were expecting. After closer examination, you realize there is another long distance carrier listed on your bill. Instead of the rates you were expecting from Excel, you're being billed by this new carrier with rates nowhere near as competitive. In fact, your bill is much more than you expected. You're also being charged $5.00* from your local phone company for switching your service.

But wait. You did not select a new carrier. That's crazy. After all, you're an Excel Independent Representative. You'll get the matter taken care of immediately. After several phone calls, you're led to believe everything has been resolved. Case closed … until next month's phone bill arrives.

Now you're beginning to understand the frustration and hassles thousands of consumers face every month when their long distance carrier is switched without their permission.

*Average rate of a carrier or PIC change

Let's Slam the Door on Slamming



As slamming continues to increase at an alarming rate, the industry's credibility, Excel's credibility and your credibility are undermined. Let's work together to protect consumer rights and slam the door on slamming.

LET'S SLAM THE DOOR ON SLAMMING

1-888-888-9390

DSA MEMBER DIRECT SELLING ASSOCIATION

EXCEL COMMUNICATIONS INC

#8001 2/98

We don't want to alarm you, but slamming affects us all.

What You Should Know

Slamming – any practice that changes a consumer's long distance carrier without the consumer's knowledge or consent – is a problem for millions of phone customers. It costs consumers thousands of dollars in overcharges. And despite the FCC's strict enforcement of policies and rules that prohibit slamming, it's a growing problem.

Consumers may have their service switched in a variety of different ways. Entering sweepstakes, taking advantage of special promotions or giveways and even endorsing "checks" are a few ways switch occurs. When the fact that the customer is changing his or her long distance service is hidden in the "fine print," then customers unknowingly switch their service – and are slammed.

Occasionally, telemarketers speak to someone other than the authorized long distance decision maker of the household – like a child or even a houseguest. Other times prospective customers are slammed because their signatures have been forged on service request forms. All of which illegally initiate a change in long distance service and the start of the hassles and frustrations we mentioned earlier.

As a leader in the long distance industry, Excel is committed to slam the door on slamming. It's a practice that robs consumers of their freedom of choice. It reflects poorly on the entire industry. It may tarnish Excel's credibility which, in turn, jeopardizes your business building efforts. That's why it's important that you and every Excel IR understands the importance of this issue and knows what you can do to personally slam the door on slamming.

Slamming a customer to Excel's long distance service is prohibited by Excel's Policies and Procedures as set forth in every Excel IR Application and Agreement and will result in the *immediate termination* of the IR Agreement and forfeiture of any and all commissions. In addition, Excel may take legal action against IRs who slam.

Have You Been Slammed?

Everyone is at risk of being slammed – even an Excel IR. If you are personally slammed, you should be able to quickly resolve the situation.

- Call your local telephone company and let them know that you did not request service from your new long distance company and that you'd like to be switched back to your original long distance company.
- Contact the long distance company that slammed you and insist on paying only the charges your original carrier would have imposed.
- Call your original carrier and tell them you were switched to another company without your permission and ask them to reconnect you.
- Notify the FCC if the complaint is not resolved. Simply send a letter in your own words to:

  Federal Communications Commission
  Common Carrier Bureau Enforcement Division
  Informal Complaints and Public Inquiries Branch
  Mail Stop Code 1600A2
  2025 M St., NW
  Washington, D.C. 20554

Slam the Door on Slamming

- Utilize your warm market when gathering customers. If not, you may be doing business with someone not authorized to make a long distance service change.
- Make sure your prospective customer signs an Excel Service Request Form (SRF) and be sure to verify that the person signing the SRF is authorized to switch long distance carriers.
- If your prospective customer is a California resident, have them call in-bound Third Party Verification (TPV) at 1-888-ORDERXL after they complete an SRF. It's the law in California.
  - Never – under any circumstances – sign an SRF on behalf of a customer.
  - Be sure your customers read and understand all of the information on the SRF (the back, too).
  - Educate your customers on their rights and make them aware of slamming. Encourage consumers to call 1-888-888-9390 to hear more information about Excel's position on slamming.
- Remember, your customers getting slammed by another carrier is more than just lost LDU commissions. The practice hurts the entire industry and erodes the confidence and trust of our customers.
- If you have a customer who is slammed, have them follow the four steps listed to the left. Never attempt to resolve a slamming issue on behalf of a customer.

What is Slamming?

Slamming – any practice that changes a consumer's long distance carrier without the consumer's knowledge or consent – is a problem for millions of phone customers.

Imagine receiving your phone bill and noticing that it's higher than you were expecting. After closer examination, you realize there is another long distance carrier listed on your bill. Instead of the rates you were expecting from Excel, you're being billed by this new carrier with rates nowhere near as competitive. And you are being charged $5.00[1] by your local phone company for switching your service.

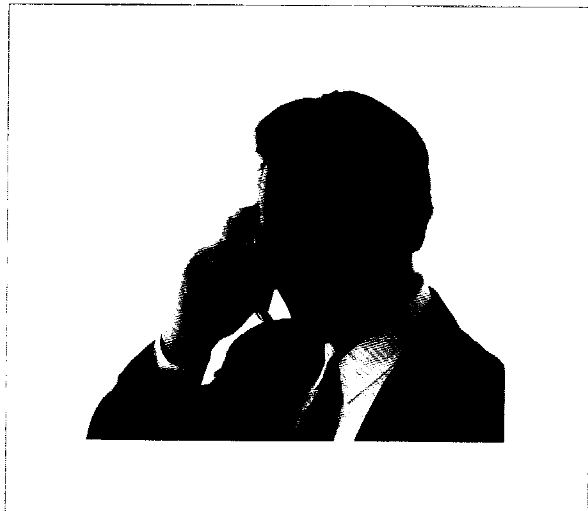
But wait. You're a satisfied Excel customer – with no reason to switch. You'll get the matter taken care of immediately. After several phone calls, you're led to believe everything has been resolved. Case closed … until next month's phone bill arrives.

Now you're beginning to understand the frustration and hassles thousands of consumers are facing every month when their long distance carrier is switched without their permission. In fact, you may have already been the target of this unscrupulous – and illegal – act.

As a leader in the long distance industry, Excel is committed to slamming the door on slamming. It's a practice that robs consumers of their freedom of choice and something we can all help to prevent.

[1]Average rate of a carrier or PIC change.

Let's Slam the Door on Slamming



Excel recognizes that slamming in the industry continues to increase at an alarming rate which robs consumers of their right to choose. We're committed to protecting consumer rights and want you to know how you can prevent this from happening. Let's slam the door on slamming.

LET'S SLAM THE DOOR ON SLAMMING.
1-888-888-9390

MEMBER
DIRECT SELLING ASSOCIATION

EXCEL®
COMMUNICATIONS, INC.

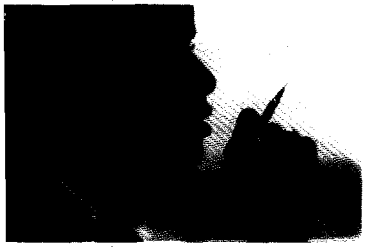
#8000 2/98

Excel's Concerns on Slamming

Let's Slam the Door on Slamming. Your Rights as a Phone Customer.

Have You Been Slammed?

If you are slammed, you should be able to quickly resolve the situation.



- **Call your local telephone company.** Let them know that you did not request service from your new long distance company and that you'd like to be switched back to your original long distance company. Have them remove any switch fees from your bill.
- **Contact the long distance company that slammed you.** Insist on paying only the charges your original carrier would have imposed. Contact the Federal Communications Commission (FCC) immediately if the carrier will not adjust your charges.
- **Call your original long distance company.** Tell them you were switched to another company without your permission and ask them to reconnect you.
- **Notify the FCC if the complaint is not resolved.** Simply send a letter in your own words to:

  Federal Communications Commission
  Common Carrier Bureau Enforcement Division
  Informal Complaints and Public Inquiries Branch
  Mail Stop Code 1600A2
  2025 M St., NW
  Washington, D.C. 20554

- **Notify your state telecommunications licensing group.** In many states, simply contact your state public service or public utility commission.

Protecting Your Rights

Excel, as well as state and federal officials, can't put an end to slamming alone. By better understanding your rights as a long distance consumer, you can help slam the door on slamming.

- You have the right to choose your long distance provider.
- You have the right to pay only the rates your original carrier would have charged you during the time the slamming occurred. Insist on this with the carrier who slammed you.
- You have the right to request that any changes to your long distance service must be received from you in writing.
- You have the right to report a slamming offense to regulatory and consumer rights groups. Slamming is illegal and may result in heavy fines. If a complaint is not resolved, contact the FCC, your state telecommunications licensing group or even your state Attorney General's office.
- You have the right to have your slamming complaint resolved quickly.

Slam the Door on Slamming

- **Read your phone bill carefully.** Look for your carrier's logo or the Excel logo if you have service with us to ensure you haven't been switched. Also look for switching fees billed by your local phone company when a switch occurs.
- **Educate everyone in your household.** Many times slammers will switch service on the authorization of a relative or child. Let everyone know who the long distance decision maker is.
- **Communicate a change in service, too.** If you recently switched your long distance carrier, let others in your household know to prevent a slamming false alarm.
- **Never sign anything without reading the fine print.** Be particularly aware of direct mail promotions and contests promising prizes and bonus checks. Many entry forms or check endorsements are actually authorizations allowing a company to switch your long distance service.
- **Be firm with telemarketers.** If someone calls you regarding long distance service, specifically tell them whether you agree to be switched. If not, tell them you are simply not interested.